

AMENDED IN ASSEMBLY JUNE 28, 2010

AMENDED IN SENATE JUNE 1, 2010

AMENDED IN SENATE APRIL 28, 2010

**SENATE BILL**

**No. 969**

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**Introduced by Senators Liu and Romero  
(Principal coauthor: Senator Price)  
(Coauthor: Senator Hancock)**

February 5, 2010

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An act to add Article 3.5 (commencing with Section 66027) to Chapter 2 of Part 40 of Division 5 of Title 3 of the Education Code, relating to public postsecondary education.

LEGISLATIVE COUNSEL'S DIGEST

SB 969, as amended, Liu. Public postsecondary education: student fee policy.

Existing law, known as the Donahoe Higher Education Act, provides for a public postsecondary education system in this state. This system consists of the University of California, the California State University, and the California Community Colleges. Existing law authorizes these institutions to require that mandatory systemwide fees, among other fees, be paid by students at these institutions. The provisions of the Donahoe Higher Education Act apply to the University of California only to the extent that the Regents of the University of California act by resolution to make them applicable.

This bill would *express the intent of the Legislature* to limit mandatory systemwide fees that are charged to resident undergraduate students enrolled in the University of California and the California State University to a specified amount, based on the average total cost of

education, as defined, *that students paid in the first semester of the 2010–11 academic year* in the respective segments. The bill would prohibit the trustees and the regents from increasing those mandatory systemwide fees by an amount exceeding a specified percentage of those fees charged to students for the immediately preceding academic year, ~~and only in an academic year for which the annual Budget Act has provided the University of California and the California State University with specified resources.~~

*The bill would prohibit a specified mandatory systemwide fee increase adopted on or after July 1, 2011, from being effective before 6 months have elapsed after the date on which the fee increase is adopted, except in an academic year in which state appropriations have not been authorized in the annual Budget Act by September 30, in which case increases in the mandatory systemwide fees charged would not become effective before 90 days have elapsed after the date on which the fee increase is adopted.* The bill would also require the regents and the trustees to develop methodologies for the adjustment of fees in accordance with a prescribed procedure, ~~and. The bill, commencing with the 2011–12 academic year, would require the—California Postsecondary Education Commission Legislative Analyst’s Office to annually review, and report to the Legislature—and the Director of Finance, its findings, conclusions, or recommendations regarding the implementation of policies implemented pursuant to the bill.~~

This bill would provide that its provisions would not apply to the University of California, except to the extent that the Regents of the University of California adopt a resolution making them applicable. The bill would request the regents to adopt policies that are consistent with this bill.

These provisions would become operative on July 1, 2011.

Vote: majority. Appropriation: no. Fiscal committee: yes.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

- 1 SECTION 1. The Legislature finds and declares all of the
- 2 following:
- 3 (a) The state has long recognized the value of providing broad
- 4 access to postsecondary education to the state’s citizens. It has
- 5 demonstrated that commitment by investing in postsecondary
- 6 education and maintaining public student fee levels that are fiscally

1 responsible and affordable. The student fee principles expressed  
2 herein seek to continue the state’s historic commitment to ensuring  
3 access and maintaining quality throughout the state’s public  
4 universities while recognizing the fiscal challenges that confront  
5 both the state and postsecondary education.

6 (b) Historically, the state has borne the preponderance of  
7 responsibility for providing the fiscal resources necessary to ensure  
8 that all eligible state residents have access to high-quality  
9 educational opportunities at the state’s public colleges and  
10 universities. Further, the state bears the principal and overarching  
11 responsibility for ensuring that all financially needy students have  
12 the financial assistance necessary for them to enroll in institutions  
13 of higher education and complete their postsecondary education  
14 objectives.

15 (c) Changes in resident student fees or in student financial aid  
16 funding or packaging policies should take into consideration the  
17 total cost to the student of attending the university, including  
18 mandatory campus-based student fees, housing and living expenses,  
19 as well as all other expenses associated with university attendance.

20 (d) Any necessary increases in mandatory systemwide fees  
21 should be accompanied by appropriate increases in funding for  
22 need-based student financial aid.

23 SEC. 2. Article 3.5 (commencing with Section 66027) is added  
24 to Chapter 2 of Part 40 of Division 5 of Title 3 of the Education  
25 Code, to read:

26  
27 Article 3.5. Student Fee Policy  
28

29 66027. The following state policies regarding mandatory  
30 systemwide resident fees and financial aid are established for  
31 *undergraduate* students enrolled in the state’s public universities:

32 (a) The total cost of a public postsecondary education should  
33 be a shared responsibility of students, families, and the State of  
34 California. However, in order to keep resident undergraduate  
35 student fees at the state’s public universities as low and affordable  
36 as possible, the state shall bear the preponderance of responsibility  
37 for funding postsecondary education.

38 (b) So that students and their families can better prepare  
39 financially for college expenses, any changes in resident student  
40 fees should be gradual, moderate, and predictable. Any potential

1 adjustments in resident student fees should take into consideration,  
2 and be balanced with, available state General Fund revenues to  
3 ensure that the access, quality, and affordability of the state's public  
4 universities are not adversely affected.

5 (c) Changes in resident student fees should take into  
6 consideration a number of factors, including the total cost of  
7 educating a student, the appropriate share of the cost of instruction  
8 to be paid by the student, and information concerning families'  
9 ability to pay. Student financial aid policy and programs should  
10 ensure affordability for students from all income levels.  
11 Recognition of these indicators will better ensure that changes in  
12 resident student fees are gradual and moderate.

13 (d) As changes in resident student fees and financial aid  
14 resources are considered, the state should have an understanding  
15 of the impact that these changes will have on both current and  
16 prospective students. Efforts should be employed to mitigate any  
17 negative impact on financially needy students.

18 (e) To the extent that budget decisions are made in a timely  
19 manner, adequate advance notice should be provided to students  
20 regarding future student fees, thereby allowing them and their  
21 families greater time to prepare for the fees to be assessed.

22 (f) In order to ensure that access is not precluded for any eligible  
23 student, but particularly financially needy students, all current and  
24 prospective students should be provided with timely information  
25 concerning student financial aid, including the processes associated  
26 with applying for and obtaining student financial assistance.

27 (g) Student fee and financial aid policies should encourage and  
28 promote a student's timely completion of the requirements  
29 necessary for degree attainment.

30 (h) To ensure that financially needy students are provided with  
31 assistance in managing the total cost of their university attendance,  
32 financial aid programs, including institutional aid, should be  
33 aligned with the distinct financial needs of the systems' student  
34 populations and student fee levels.

35 (i) Revenues derived from student fees should remain within  
36 the respective university system's budget in order to provide  
37 benefits to the students enrolled within the system.

38 ~~66027.1. For each of the following segments of public~~  
39 ~~postsecondary education, the mandatory systemwide fees charged~~

1 to resident undergraduate students for any academic year shall not  
2 exceed the following amounts:

3 (a) ~~For the University of California, 40 percent of the average~~  
4 ~~total cost of education for that academic year.~~

5 (b) ~~For the California State University, 30 percent of the average~~  
6 ~~total cost of education for that academic year.~~

7 66027.1. (a) *It is the intent of the Legislature that, for the*  
8 *University of California and the California State University, the*  
9 *mandatory systemwide fees charged to resident undergraduate*  
10 *students for any academic year not exceed the percentage of*  
11 *average total cost of education that students paid in the first*  
12 *semester of the 2010–11 academic year.*

13 (b) *This section shall not be construed to require the trustees*  
14 *or the regents to reduce the mandatory systemwide fees charged*  
15 *to resident undergraduate students below the level that existed for*  
16 *the 2010–11 academic year.*

17 66027.2. (a) In any academic year, the trustees and the regents  
18 shall not increase the mandatory systemwide fees charged to  
19 resident undergraduate students enrolled in the respective  
20 institutions by an amount exceeding the percentage change in the  
21 state per capita personal income in the prior fiscal year. ~~The~~ *It*  
22 *is the intent of the Legislature that the total amount of mandatory*  
23 *systemwide fees, as increased, shall not exceed the limits described*  
24 *in Section 66027.1.*

25 (b) If the percentage change in the state per capita personal  
26 income as determined pursuant to subdivision (a) is negative, the  
27 change in per capita personal income for purposes of increasing  
28 fees shall be deemed to be zero.

29 (c) *This section shall only be operative in an academic year for*  
30 *which the annual Budget Act has provided the University of*  
31 *California and the California State University with sufficient*  
32 *resources to fund the cost-of-living adjustments and enrollment*  
33 *growth funded at the marginal cost of instruction as adjusted*  
34 *annually.*

35 66027.3. (a) Any increase in the mandatory systemwide fees  
36 charged to a resident undergraduate student enrolled in the  
37 University of California or the California State University that is  
38 adopted on or after July 1, 2011, shall not become effective before  
39 six months have elapsed after the date on which the fee increase  
40 is adopted.

1     **(b)** *In any academic year in which state appropriations have*  
2 *not been authorized in the annual Budget Act by September 30,*  
3 *subdivision (a) shall not be operative. In those academic years,*  
4 *no increase in the mandatory systemwide fees charged shall*  
5 *become effective before 90 days have elapsed after the date on*  
6 *which the fee increase is adopted.*

7     66027.4. To carry out the responsibilities of this section, the  
8 regents and the trustees shall each develop a rational and  
9 transparent methodology for adjusting mandatory systemwide  
10 resident student fees consistent with the student fee policy  
11 principles set forth in Section 66027. These methodologies shall  
12 be developed in consultation with appropriate student  
13 representatives through student fee advisory committees and, once  
14 developed, shall be formally adopted by the regents and the  
15 trustees, respectively, in open public meetings. The annual budgets  
16 of the segments shall be drafted on the basis that fees will change  
17 in accordance with the methodology established under this section,  
18 *and shall specify the purposes for which any revenues derived*  
19 *from an increase in fees will be used.*

20     66027.5. Following the final action of its governing body, each  
21 system shall employ appropriate procedures to notify students of  
22 the student fees to be assessed in the upcoming academic year. In  
23 addition, each system shall simultaneously provide students with  
24 information concerning the availability of student financial aid  
25 and the procedures for obtaining that aid in order to assist students  
26 with meeting the increased costs of university attendance.

27     ~~66027.6. (a) Each year, prior to March 1, the California~~  
28 ~~Postsecondary Education Commission shall review institutional~~  
29 ~~compliance with the policies set forth in this article, and report, in~~  
30 ~~writing, to the Legislature and the Director of Finance any findings,~~  
31 ~~conclusions, or recommendations of the commission regarding the~~  
32 ~~implementation of these policies.~~

33     ~~(b) A report submitted pursuant to subdivision (a) shall be~~

34     66027.6. (a) *Commencing with the 2011–12 academic year,*  
35 *the regents and the trustees shall annually provide the Legislative*  
36 *Analyst’s Office, prior to February 1, with estimates of the total*  
37 *cost of education, categorized specifically by per student*  
38 *undergraduate and graduate education costs.*

39     **(b)** *Commencing with the 2012–13 academic year, the*  
40 *Legislative Analyst’s Office shall annually review, prior to March*

1 *I, institutional compliance with the policies set forth in this article,*  
2 *and report, in writing, to the Legislature findings, conclusions, or*  
3 *recommendations regarding the implementation of these policies.*  
4 *This report shall include an assessment of the information provided*  
5 *by the regents and the trustees pursuant to subdivision (a).*

6 *(c) A report submitted pursuant to subdivision (b) shall be*  
7 *submitted in compliance with Section 9795 of the Government*  
8 *Code.*

9 66027.7. As used in this article, the following terms have the  
10 following meanings:

11 (a) (1) “Average total cost of education” means the amount  
12 calculated by dividing the total cost of education for the University  
13 of California or the California State University, whichever is  
14 applicable, by the total number of full-time equivalent students  
15 enrolled at that segment.

16 (2) For purposes of paragraph (1), “total cost of education”  
17 means, for the University of California and the California State  
18 University, the sum of appropriations and projected revenues from  
19 all of the following:

20 (A) The General Fund.

21 (B) Higher education fees and income.

22 (C) The California State Lottery Education Fund.

23 (b) “Mandatory systemwide fees” means the fees that all  
24 students enrolled in the California State University or the  
25 University of California are required to pay in order to enroll in  
26 courses for the academic term pursuant to any law or any policy  
27 adopted by the governing boards of the respective segments.

28 (c) “Regents” means the Regents of the University of California.

29 (d) “Resident” means a student who is exempt from paying  
30 nonresident tuition pursuant to Chapter 1 (commencing with  
31 Section 68000) of Part 41.

32 (e) “State per capita personal income” means calendar fourth  
33 quarter California personal income for the prior fiscal year, as  
34 estimated by the Bureau of Economic Analysis of the United States  
35 Department of Commerce, divided by the California civilian  
36 population, as estimated by the Department of Finance pursuant  
37 to subdivision (d) of Section 13308 of the Government Code.

38 (f) “Trustees” means the Trustees of the California State  
39 University.

1     66027.8. (a) This article shall not apply to the University of  
2     California, except to the extent that the regents, by appropriate  
3     resolution, make this article applicable.

4     (b) The regents are requested to adopt policies governing  
5     increases in mandatory systemwide fees that are consistent with  
6     this article.

7     66027.9. This article shall become operative on July 1, 2011.